



September 28, 2007

David Ikari, Chief
Dairy Marketing Branch
California Department of Food and Agriculture
1220 N Street
Sacramento, California 95814

Re: Alternative Proposal for October 10, 2007, Hearing to Consider Changes to
the California Milk Marketing Stabilization Plans Class 4(a) and Class 4(b)
Pricing Provisions

Dear Mr. Ikari:

Please find the attached revised Class 4(a) and Class 4(b) Provisions that accompanied my September 26, 2007 alternative proposal for the October 10, 2007 hearing. The revised provisions clarify the language and numeric values used in section (D,1), (D,2) and (E,1,b).

Thanks for pointing out these discrepancies in our original document. Should you have any further questions, please contact me at anytime.

Respectfully submitted,

Rich Ghilarducci
President/CEO
Humboldt Creamery Association

4(a) Provisions

(D) The minimum prices to be paid for components used for Class 4a shall be computed as follows:

(1) For all milk fat, not less than the price per pound computed by the formula using the butter price, less an f.o.b. California price adjuster of one and sixty-eight hundredths cents (\$0.0168), less a manufacturing cost allowance of twenty and sixty-one hundredths cents (\$0.2061) for the first 210,000 lbs lbs of milk fat processed and fifteen and six tenths cents (\$0.156) for the remaining volume, and the result multiplied by a yield factor of one and two-tenths (1.2).

(2) For all milk solids-not-fat, not less than the price per pound computed by the formula using the nonfat dry milk price, less a manufacturing cost allowance of twenty and two tenths cents (\$0.202) for the first 522,000 lbs lbs of solids-not-fat processed and sixteen cents (\$0.16)) for the remaining volume, multiplied by a yield factor of one (1.0).

4(b) Provisions

(E) The minimum prices to be paid for components used for Class 4b shall be computed as follows:

(1) The Cheese hundredweight price shall be the price per hundredweight computed by the sum of the following:

(a) The price per hundredweight computed by the formula using the Cheddar cheese price, less an f.o.b. California price adjuster of two and fifty-two hundredths cents (\$0.0252), less a Cheddar cheese manufacturing cost allowance of twenty-one and four hundredths cents (\$0.2104) for the first 6,000,000 lbs lbs of milk processed and seventeen and eight tenths cents (\$0.178) for the remaining volume, all multiplied by a yield factor of ten and two-tenths (10.2).

(b) The price per hundredweight computed by the formula using the butter price, less a manufacturing cost allowance of twenty and sixty-one hundredths cents (\$0.2061) for the first 210,000 lbs lbs of milk fat processed and fifteen and six tenths cents (\$0.156)) for the remaining volume, less ten cents (\$0.10), all multiplied by a yield factor of twenty-seven-hundredths (0.27).